<u>111a23</u>2

Approved For Release 2005/11/28 : CIA-RDP91-00901R000400170004-5

U W BYLZYVEYL AÑ567

ARM-Casey, ist Lo, a216,400

\$50s: Top 10 grafs new with White House comment, edits 11th graf for transition, picks up 2nd graf previous, edits 25th graf to refer directly to Hugel

FURGENT

FBY BARRY SCHWEID

FASSOCIATED PRESS MRITER

WASHINGTON (AP) - PRESIDENT REAGAN BELIEVES CIA DIRECTOR WILLIAM J. CASEY 'OEFINITELY OUGHT TO REMAIN ON THE JOB' IF HIS ONLY FAULT WAS POOR JUDGMENT IN PICKING THE CHIEF OF THE AGENCY'S CLANDESTINE SERVICE; A WHITE HOUSE SPOKESMAN SAID SATURDAY.

HOWEVER; SAID PRESIDENTIAL SPOKESMAN DAVID GERGEN; IF THERE ARE OTHER FINDINGS AGAINST THE EMBATTLED CIA DIRECTOR - SUCH AS NEW EVIDENCE OF WRONGDOING IN HIS PAST FINANCIAL DEALINGS - THE PRESIDENT WOULD HAVE TO REVIEW THE MATTER.

Reagan's position; relayed by Gergen; puts the president firmly at doos with Sen. Barry Goldwater; R-Ariz.; chairman of the Senate Intelligence Committee.

GOLDWATER PUBLICLY CRITICIZED CASEY AND CALLED FOR HIS RESIGNATION LAST WEEK FOR SELECTING MAX MUGEL; A BUSINESSMAN WITH LITTLE EXPERIENCE IN THE INTELLIGENCE FIELD; FOR THE HIGHLY SENSITIVE JOB OF SPYMASTER. MUGEL ALREADY HAD RESIGNED IN THE WAKE OF CHARGES ABOUT HIS OWN BUSINESS DEALINGS.

Casey's Business background is being reviewed by the Intelligence Committee in the wake of a judge's finding that he and other directors of a now-defunct company knowingly misled stockholders.

AFTER CONFERRING WITH THE PRESIDENT; GERGEN TOLD REPORTERS; ''IF THE INTELLIGENCE COMMITTEE CONCLUDES THAT THE ONLY SUBSTANTIAL CHARGE AGAINST AR. CASEY INVOLVES HIS JUDGMENT IN THE APPOINTMENT OF AR. HUGEL; THE PRESIDENT BELIEVES THAT BILL CASEY DEFINITELY OUGHT TO REMAIN ON THE JOB.''

RSKED WHY REAGAN'S SANCTION DID NOT EXTEND TO CASEY'S BUSINESS GEALINGS: GERGEN REPLIED: ''WE'RE NOT TRYING TO MAKE THAT KIND OF GROAD GENERALIZATION.

"IF THERE ARE NO MAJOR NEW REVELATIONS - WHICH WE EXPECT THERE'S NOT GOING TO BE; BUT IF BY CHANCE THERE IS, WE HAVE NO REASON TO BELIEVE THERE IS GOING TO BE - THAT'S SOMETHING WE'LL HAVE TO ADDRESS AT THAT TIME; "GERGEN SAID.

HE SAID PRESIDENTIAL COUNSEL FRED FIELDING: WHO IS REVIEWING THE INFORMATION BEING SUPPLIED TO THE SENATE COMMITTEE FOR ITS CHAVESTIGATION: HAS FOUND NO EVIDENCE TO CHANGE HIS OPINION THAT CASEY Approved For Release 2005/11/28: CIA-RDP91-00901R000400170004-5

WAS FIT FOR THE JOB.

"THE PRESIDENT BELIEVES BILL CASEY IS A GOOD AND DECENT MAN WHO HAS SERVED THE COUNTRY WELL FOR A GOOD MANY YEARS;" GERGEN SAID. "HE ALSO BELIEVES MR. CASEY IS DOING A FINE JOB AT THE CIR. IN LIGHT OF THAT BACKGROUND; THE PRESIDENT IS STANDING FIRMLY BEHIND MR. CASEY." "EANHHILE SATURDAY; A REPUBLICAN MEMBER OF THE SENATE INTELLIGENCE COMMITTEE SAID THE PANEL WOULD MAKE "A FAIRLY QUICK EVALUATION" OF CASEY'S FINANCIAL AFFAIRS.

. 2441 THINK: 2mo GRAF. AP-MY-07-25 1559EDT